

AS

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 97-285-C – ORDER NO. 97-963

November 7, 1997

IN RE:	Application of BellSouth Long Distance,	)	ORDER
	Inc. for a Certificate of Public Convenience	)	APPROVING
	and Necessity to Provide Resold	)	CERTIFICATE
	Telecommunications Services and for	)	
	Approval of Alternative Regulatory Plan.	)	

*VR*

This matter comes before the Public Service Commission of South Carolina (the “Commission”) by way of the Application of BellSouth Long Distance, Inc. (“BSLD” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of intrastate interexchange telecommunications services in the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §§ 58-9-280 and 58-9-520, as amended, and the Regulations of the Public Service Commission of South Carolina. The Company’s Application seeks authorization for BSLD to provide in South Carolina the long distance services not precluded by 47 U.S.C. §271. The Application also requests authority to provide all other services, including in-region interLATA services, once BSLD has obtained the necessary relief from the limitations of 47 U.S.C. §271. By requesting this authority in advance of federal §271 relief, BSLD intends to eliminate the need for a second proceeding to broaden its authority once §271 relief has been obtained. The Company also requests that its business service offerings be regulated pursuant to the procedures

described and set forth in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C in which the Commission granted a “relaxed” regulatory treatment for AT&T Communications of the Southern States (“AT&T”).

The Commission’s Executive Director instructed BSLD to publish, one time, a prepared Notice of Filing in newspapers of general circulation in the affected areas. The purpose of the Notice of Filing was to inform interested parties of BSLD’s Application and of the manner and time in which to file the appropriate pleadings for participation in the proceeding. BSLD complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. A Petition to Intervene was filed by MCI Telecommunications Corporation (“MCI”) and the South Carolina Cable Television Association (“SCCTA”).

Prior to the hearing in this matter, MCI filed a motion to compel discovery of certain information from BSLD. A hearing was commenced on October 8, 1997, at 10:30 a.m., in the Commission’s Hearing Room. At the commencement of the hearing, the Commission considered MCI’s motion to compel discovery. After hearing oral argument on the motion, the Commission ordered BSLD to produce certain documents within a specified period of time. The Commission proceeded with the hearing and provided MCI with an opportunity to re-convene the hearing at a later date, if necessary, after MCI reviewed the additional information BSLD was compelled to produce.

The Honorable Guy Butler, Chairman, presided at the hearing, and BSLD was represented by Dwight F. Drake, Esquire and Kevin A. Hall, Esquire. MCI was represented by John M.S. Hoefer, Esquire. SCCTA did not enter an appearance. David Butler, General Counsel, represented the Commission Staff. After conclusion of the October 8 hearing and after having been given a chance to review BSLD's additional discovery responses, MCI, by a letter dated October 27, 1997, advised the Commission that there was no need to re-convene the hearing in this matter.

James G. Harralson, Vice President and General Counsel of BSLD, appeared on BSLD's behalf at the October 8 hearing and adopted the pre-filed testimony in support of BSLD's Application which was originally filed by John A. Ruscilli, Director of Regulatory and Legislative Affairs at BSLD. Mr. Harralson stated that BSLD is a Delaware corporation which is registered to do business in South Carolina as a foreign corporation. According to Mr. Harralson, BSLD proposes to offer long distance services using resold transmission services of carriers certificated to carry traffic in South Carolina. Mr. Harralson explained the Company's request for authority to provide interexchange telecommunications services in South Carolina as a reseller. The record reveals the Company's services, operations and marketing procedures.

Further, Mr. Harralson testified that BSLD possesses the technical, financial and managerial abilities to provide its services in South Carolina. The record further reveals that

the Company agreed to make certain changes to its proposed tariff as requested by the Commission staff.

After full consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### FINDINGS OF FACT

1. BSLD is incorporated under the laws of the State of Delaware and is licensed to do business as a foreign corporation in the State of South Carolina by the Secretary of State.
2. BSLD will operate as a non-facilities based reseller of interexchange services and wishes to provide its services in South Carolina.
3. BSLD has the experience, capability, technical, managerial and financial resources to provide the services as described in its Application.

#### CONCLUSIONS OF LAW

1. Based on the above findings of fact, the Commission determines that a Certificate of Public Convenience and Necessity ("CPCN") should be granted to BSLD to provide those services not precluded at this time by 47 U.S.C. §271. Further, the Commission determines that this CPCN also should authorize BSLD, upon obtaining federal §271 relief, to provide all other services, including in-region interLATA services, or any other services authorized for resale by tariffs of carriers approved by the Commission.

2. Regarding the Company's non-business services offerings, the Commission adopts a rate design for BSLD which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984). BSLD shall not adjust its rates for its non-business service offerings below the approved maximum level without notice to the Commission and to the public. BSLD shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp. 1996).

3. With regard to business service offerings, BSLD requested that its business service offerings not be required to state maximum rates; that its tariffs be presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation

of the tariff filing, in which case such filing would be suspended pending further order of the Commission; and that it be subject to the same monitoring process as similarly regulated companies. BSLD's request is similar to the regulatory treatment approved for AT&T in Docket No. 95-661-C as granted in Order No. 95-1734 and Order No. 96-55.

Therefore, pursuant to Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C, BSLD is granted "relaxed regulation" as set forth in Orders Nos. 95-1734 and 96-55. Accordingly, with respect to business service offerings, including credit card services, operator services, private line services, and customer network offerings, tariff filings will be presumed valid upon filing. If the Commission institutes an investigation of a particular filing within seven days, then the tariff filing will be suspended until further Order of the Commission. Any relaxation in the future reporting requirements that may be adopted for AT&T or similarly regulated entities shall apply to BSLD also.

4. If BSLD has not filed its revised tariff and price list by receipt of this Order, BSLD shall file its revised tariff and an accompanying price list within thirty (30) days from the date of receipt of this Order. The revised tariff shall be consistent with the findings of this Order and shall be consistent with the Commission's Rules and Regulations.

5. BSLD is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

6. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

7. BSLD shall resell the services of only those interexchange carriers, LECs, or other carriers authorized to do business in South Carolina by this Commission. If BSLD changes underlying carriers, it shall notify the Commission in writing.

8. With regard to the origination and termination of toll calls within the same LATA, BSLD shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993).

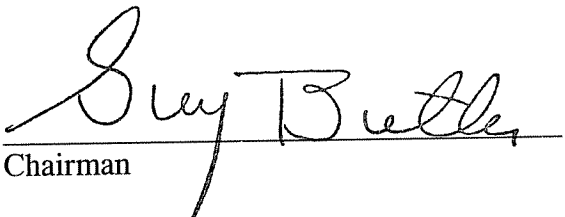
9. BSLD shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, the Company shall provide to the Commission in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. BSLD shall file the names, addresses and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The proper form for notification of the Company's authorized utility representative is indicated on Attachment B. Further, the Company shall promptly notify the

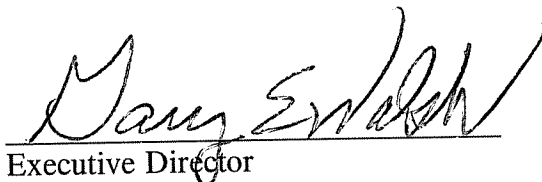
Commission in writing if the representatives are replaced, and the Company is directed to comply with the Commission regulations unless waived by the Commission.

11. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
~~Deputy~~ Executive Director

(SEAL)



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NOVEMBER 7, 1997  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

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COMPANY NAME

---

FEI NO.

---

ADDRESS

---

CITY, STATE, ZIP CODE

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PHONE NUMBER

- (1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER DEPOSITS.
- (4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.
- \* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT PORTION  
PAYABLE), PREFERRED STOCK AND COMMON EQUITY.
- (5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.
- (6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).

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SIGNATURE

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NAME (PLEASE TYPE OF PRINT)

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TITLE

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ATTACHMENT B

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INFORMATION OF THE AUTHORIZED UTILITY REPRESENTATIVES  
FOR INTEREXCHANGE, LOCAL AND AOS COMPANIES

PURSUANT TO SOUTH CAROLINA PUBLIC SERVICE COMMISSION  
REGULATION 103-612.2.4(b), each utility shall file and  
maintain with the Commission the name, title, address, and  
telephone number of the persons who should be contacted in  
connection with Customer Relations/Complaints.

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Company Name/DBA Name

---

Business Address

---

City, State, Zip Code

---

Authorized Utility Representative (Please Print or Type)

---

Telephone Number

---

Fax Number

---

E-Mail Address

---

This form was completed by

---

Signature

If you have any questions, contact the Consumer Services  
Department at 803-737-5230